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To: Planning & Development Committee

**Please Support the Limited Tax Relief Offered in Raised Bill No. 5510**

**As a home builder, I want to give you some examples of the property tax we pay on undeveloped real estate, when a subdivision is approved, and then when we start to build homes or complete a home, such as a model, prior to selling it to a buyer.**

**The town of Vernon has issued notices of real estate tax increases for my homes under construction.**

Example #1      Model home at Ogden Brook Subdivision in Vernon.  
                         10 Kristyn Drive Lot # 35  
                         Permit Date **October 12, 2012**  
                         Tax is going from **\$1,736.37 to \$9,013.54**

Example #2      Lot 9 Garden Drive, House under construction Ogden Brook  
                         Subdivision in Vernon  
                         Permit Date Lot 9 **July 2013**  
                         Tax is going from **\$1,685.40 to \$6,937.34**

This subdivision has 41 lots. When mylars were filed as a subdivision (i.e., after a subdivision is approved, the filing of mylars makes it official), the property tax went from Farm Use @ \$800.00 to \$49,785.00 in 2009.

As Homes are sold the tax on the subdivision is reduced, while a tax is also assessed on each homeowner who bought a completed home.

In 2008	Builder Lot taxes paid	\$ 3,013.00	41 Lots (Pro-rated after closing mylars filed)
In 2009	Builder Lot taxes paid	\$ 49,793.00	41 Lots
In 2010	Builder Lot taxes paid	\$ 41,772.00	36 Lots
In 2011	Builder Lot taxes paid	\$ 40,752.00	35 Lots
In 2012	Builder Lot taxes paid	\$ 31,951.00	26 Lots
In 2013	Builder Lot taxes paid	\$ 38,166.00	26 Lots

In 2014 Builder Lot taxes paid  
(increase in mill rate)

\$ 27,781.00

18 Lots

**Total Builder Lot Taxes paid through 2014 equals \$191,454.00 on Building Lots in Ogden Brook Subdivision, Vernon, Ct.**

**That is a snapshot of tax bills on this project.**

Houses in the subdivision average \$9,000.00 per year in taxes to homeowners at Ogden Brook Subdivision.

\$9,000.00 X 41 Home sites when completed will give the Town Of Vernon

\$369,000.00 dollars per year in Taxes.

\$369,000.00 X 10 Years will give Town of Vernon @ \$3,690,000.00 dollars in Taxes.

**Reasons to support the limited tax relief of HB 5510:**

- A. **Builders need model homes to sell their product. These model homes are extremely important for sales. We need more then one year especially in this slow economy to accomplish this.**
- B. **As a Builder, I cannot afford to pay out \$9,000.00 on an unsold, unoccupied model home, or a home under construction using little or no town services.**
- C. **As shown above, the taxes paid by the builder on the lots during the construction of the subdivision more than covers the possible use of any town services.**
- D. **The majority of our buyers have homes they must sell to purchase a new home. Our company holds homes under construction at no cost to our customers to allow them extra time needed to sell their existing home. We will no longer be able to afford to offer this service which will have an extremely negative effect on our sales.**
- E. **Towns should be able to wait until closing (or issuance of a CO) to begin the full tax assessment that will last forever.**
- F. **Builders need this Bill to pass, to afford to keep our inventory ahead of the marketplace and to build model homes, and so we can keep our workers on the job.**

**I urge you to support HB 5510. Thank you for the opportunity to express my views on this highly important issue.**

Kenneth J Boynton  
President  
Boynton Construction Inc.. .

President & Chairman of the Board  
Home Builders and Remodelers Association of Connecticut